

Members

Rep. Sheila Klinker, Chairperson
Rep. Phillip Hinkle
Sen. Ron Alting
Sen. Frank Mrvan
Patrick Reardon
Edwin Rousseau
Alan E. Jones
Pam Meyer
Deanna Oware
Beth Henkel



ENTERPRISE ZONE STUDY COMMISSION

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Authority: P.L. 63-2004

MEETING MINUTES¹

Meeting Date: August 3, 2004
Meeting Time: 1:00 P.M.
Meeting Place: State House, 200 W. Washington St., 404
Meeting City: Indianapolis, Indiana
Meeting Number: 1

Members Present: Rep. Sheila Klinker, Chairperson; Rep. Phillip Hinkle; Sen. Ron Alting; Sen. Frank Mrvan; Patrick Reardon; Edwin Rousseau; Alan E. Jones; Pam Meyer; Deanna Oware.

Members Absent: Beth Henkel

I. Call to Order and Introduction of Members

Representative Sheila Klinker, Chairperson, called the meeting to order at 1:09 P.M., and the members of the Commission were introduced.

II. Review of Statutory Charge and Overview of Enterprise Zones

Representative Klinker introduced Mr. Jim Landers, Fiscal Analyst for the Legislative Services Agency (LSA), to review the charges for the Commission set forth in HEA 1428-2004 (Exhibit A). Mr. Landers gave an overview of Indiana's Enterprise Zones (Zones) and the Enterprise Zone fiscal impact project (Exhibits B and C). He highlighted the Commission's statutory charges and described LSA's role in the interim committee process.

Representative Klinker then opened the floor to Commission discussion. The members discussed the following topics with Mr. Landers:

- Zone responses to survey material
- LSA's property tax database project in relation to data collection for zones

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

- Zone influences on different ethnic and socioeconomic groups
- Zone funding and the inventory tax phaseout
- Factors contributing to the termination of Zones

IV. Benefits of Enterprise Zones to Indiana Communities

Representative Klinker recognized Ms. Pam King, Executive Director of the Indianapolis Urban Enterprise Association, to testify.

Ms. King opened with a discussion of the effect of the recent tax restructuring on Zones. She then highlighted the benefits that Zones bring to a community. Ms. King spoke to the Commission about brownfields, investment strategies, and leveraging.

The Commission then discussed the following points with Ms. King:

- return expectations from leveraging
- venture capital and new market capital returns
- federal programs and available funds

V. Incentive Options for Indiana Enterprise Zones

Representative Klinker introduced Mr. Dennis Carson, Executive Director of the Lafayette Urban Enterprise Association, who spoke to the Commission about incentive options for Zones.

Mr. Carson submitted his testimony in writing (Exhibit D). He presented the following incentives for the Commission to consider:

- Investment Cost Credit
- Job Creation Credit
- Business Income Tax Exemption
- Property Tax Exemption
- Other Business Income Tax Exemptions
- Other Property Tax Exemptions
- Loan Interest Credit
- Sales Tax Exemption
- Job Training Credits
- Sales Tax Exemption for Property Rehabilitation

The Commission discussed the following issues with Mr. Carson:

- the incentives presented and the time needed to see a return on the investment
- the immediacy of problems facing the Zones
- the estimated number of jobs created by the incentives

Representative Klinker then asked all Zone directors present in the audience to introduce themselves and give a synopsis of the problems in their Zones. Seven directors expressed their concerns, such as the loss of companies to other areas and revenue shortfalls as a result of the inventory tax phaseout.

Representative Klinker asked the Commission to discuss these issues. The members recognized the problems and expressed a willingness to find a workable solution.

VII. Schedule of Future Meetings

After discussion with Commission members, Representative Klinker scheduled the next two meetings for September 1, 2004, and September 30, 2004.

VIII. Adjournment

Representative Klinker adjourned the meeting at 3:01 P.M.